

STATE OF OHIO
DEPARTMENT OF INSURANCE
50 West Town Street, 3rd Floor, Suite 300
Columbus, Ohio 43215

IN THE MATTER OF PUBLIC HEARING	:	
FOR THE AMENDMENT OF OHIO	:	
ADMINISTRATIVE CODE SECTIONS	:	NOTICE OF
3901-1-18, 3901-1-23, 3901-1-31, 3901-6-04,	:	PUBLIC HEARING
3901-6-06, AND 3901-6-07	:	

Pursuant to section 119.03 of the Ohio Revised Code, the Superintendent of Insurance, State of Ohio, will hold a public hearing at 10:00 a.m., on Tuesday, October 3, 2017 at the Ohio Department of Insurance, Public Hearing Room, 50 West Town Street, 3rd Floor, Suite 300, Columbus, Ohio, to consider the amendment of Ohio Administrative Code sections 3901-1-18 Ohio fair plan - plan of operation; 3901-1-23 Inland marine risks; 3901-1-31 Group insurance regulations; 3901-6-04 Life insurance illustrations; 3901-6-06 Accelerated benefits; and 3901-6-07 Universal life insurance.

The purpose of rule 3901-1-18 is for adoption by the superintendent of a plan of operation submitted by the board of governors of the "Ohio Fair Plan Underwriting Association". The plan of operation has been formulated for the purpose of making basic property and homeowners' insurance coverage, as identified in section 3929.42 of the Revised Code, available for qualified property owned by persons who have been unable to secure such insurance in the normal insurance market.

The reason for amending rule 3901-1-18 is the agency five-year rule review. The rule is being amended to remove reference to outdated federal programs, modernize language for current practices, and address other minor technical matters.

The purpose of rule 3901-1-23 is to define what constitutes an inland marine risk.

The reason for amending rule 3901-1-23 is the agency five-year rule review. The rule is being amended to address technical matters.

The purpose of rule 3901-1-31 is to provide for the writing of policies of group insurance, on a limited basis as hereinafter outlined, by an insurance company having a certificate of authority pursuant to the second paragraph of section 3941.02 of the Revised Code and to ensure that residents of Ohio are not precluded from having group insurance where advantageous tax attributes may be applicable.

The reason for amending rule 3901-1-31 is the agency five-year rule review. The rule is being amended to correct an out of date citation to the internal revenue code.

The purpose of rule 3901-6-04 is to provide rules for life insurance policy illustrations that will protect consumers and foster consumer education. The rule provides illustration formats, prescribes standards to be followed when illustrations are used, and specifies the disclosures that are required in connection with illustrations. The goals of this rule are to ensure that illustrations do not mislead purchasers of life insurance and to make illustrations more understandable. Insurers will, as far as possible, eliminate the use of footnotes and caveats and define terms used in the illustration in language that would be understood by a typical person within the segment of the public to which the illustration is directed.

The reason for amending rule 3901-6-04 is the agency five-year rule review. The rule is being amended to provide the proper citation for NAIC reference materials as well as other minor technical amendments.

The purpose of rule 3901-6-06 is to regulate accelerated death benefit provisions of individual and group life insurance policies and to provide required standards of disclosure.

The reason for amending rule 3901-6-06 is the agency five-year rule review. The rule is being amended to permit the insurer to discount the death benefit acceleration at the loan interest rate stated in the policy. This provides a less burdensome option from an administrative standpoint for insurers, and is likely easier for consumers to understand. Additionally, Ohio revised code was amended with respect to reserve calculations in 2014, rule citations are amended accordingly.

The purpose of rule 3901-6-07 is to supplement existing regulations on life insurance policies in order to accommodate the development and issuance of universal life insurance plans.

The reason for amending rule 3901-6-07 is the agency five-year rule review. The rule is being amended to correct citations as a result of changes made to Ohio Revised Code.

Requests for copies of the rule should be addressed to Tina Chubb, Ohio Department of Insurance, 50 West Town Street, 3rd Floor, Suite 300 Columbus, Ohio 43215, or the proposed rule can be viewed online at www.insurance.ohio.gov.

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3901-1-23, 3901-1-31

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